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SUBJECT: NEW BY-ELECTIONS A TEST FOR FALL ELECTIONS

REF: A. OTTAWA 394
- B. OTTAWA 632

¶1. (SBU) Summary: Three federal by-elections for members of Parliament will take place on September 8 to fill two formerly Liberal seats and one Bloc Quebecois seat. As in the March 17 by-elections (ref a), the Liberals would need to win big to boost their confidence about bringing down the government once the House of Commons resumes on September 15, thereby forcing a possible fall election. So far, however, the Liberals and the Conservatives remain virtually tied statistically at between 30 and 32 percent in national polls; there are still few visible incentives for a fall election for either party. End summary.

Back to the campaign trails

¶2. (SBU) On July 25, Prime Minister Stephen Harper announced three by-elections to take place concurrently on September 8 in the federal ridings (districts) of Guelph (Ontario) and of Westmount-Ville Marie and of Saint-Lambert (both in Montreal, Quebec). The Liberals hope to retain their holds on Guelph and Westmount Ville-Marie, while the Bloc Quebecois remains the front-runner to hold onto its seat in Saint-Lambert. The Conservatives and New Democratic Party (NDP) are actively fielding candidates in all three races, with the Conservatives' best -- if still slim -- hope in Guelph, in part due to an active Green Party campaign that could siphon off Liberal voters.

¶3. (SBU) The Liberals have held the Westmount Ville-Marie seat for about five decades, and plan to field a "star" candidate, former astronaut Marc Garneau. The NDP is looking to the riding to repeat its 2007 upset by-election victory in a similar Montreal-area Liberal fortress, in the riding of Outremont. Some Liberals have privately expressed concern that the campaign team responsible for the Outremont loss will also handle the Westmount Liberal campaign.

¶4. (SBU) The Bloc Quebecois wrested the Montreal riding of Saint-Lambert from the Liberals in 2004, largely due to anger over the sponsorship scandal and the personal popularity of the outgoing Bloc incumbent, former Cameroonian-Canadian film star Maka Kotto. The Bloc hopes to retain the riding even without Kotto as a candidate, but Conservative strategists have contended that the riding is essentially federalist and that voters may be ready to turn to the Conservatives over the Liberals. PM Harper took the trouble of celebrating St-Jean Baptiste Day (Quebec's "national" day) in Saint-Lambert in June, long before the announcement about the by-election.

Will they or won't they?

¶5. (SBU) The Liberals have been sending out mixed signals in recent days about their interest in a fall election once the Commons returns to session on September 15. (Government leader in the Commons Peter Van Loan on July 27 ruled out either proroguing the Commons again this year or delaying the opening of the fall session

until later in the year.) Liberal leader Dion had indicated publicly that voters he had met during his road show to sell the Liberals' "Green Shift" (aka "carbon tax," as the Conservatives prefer to label it) were increasingly in favor of an election. He even suggested an election could come "maybe in the fall, maybe in the winter," but definitely "between now and October 2009." Other prominent Liberals have even more recently emphasized, however, that Dion was not specifically calling for a fall election.

COMMENT

16. (SBU) The by-elections will set the scene, and likely the tone, for the return of Parliament. A strong performance by the Liberals could provide a springboard to a fall election, while a lackluster Q could provide a springboard to a fall election, while a lackluster showing -- or even losses -- would rekindle attention on Dion's leadership woes. The by-elections will test Dion's ability to sell Green Shift policy to voters as well as his judgment in making this the centerpiece of the Liberal election platform. Moreover, after suffering embarrassing setbacks in two previous sets of by-elections, the Liberals need to show they have turned the corner, found their issue, and are back in play. The Conservatives have little to lose on September 8, but could conceivably score a major strategic upset victory in Guelph. Both parties will be holding summer caucus meetings soon to finalize their plans for the fall session, with the Conservatives continuing to argue publicly that they still have "an important agenda" to complete, that they remain focused on governing, and that "leadership" will be the key theme in any eventual federal election (ref b). The Conservatives have been election-ready for the past year, but with the polls stuck in neutral with around 30 pct support for each, neither major party yet has genuine incentives to go to the polls early. In a perhaps

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telling indication of the Liberals' real feelings about a possible fall election, the Liberal national party director recently accepted without hesitation the Ambassador's invitation to join an International Visitor program to witness the U.S. elections in late October and early November.
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